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TELEGRAM

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Subject: LABOR CONDITIONS IN THE UAE
Ref: None

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UNCLAS SECTION 01 OF 03 ABU DHABI 000498

SIPDIS

STATE FOR NEA/ARP, NEA/RA, DRL AND EB/CBA
STATE PASS OPIC/OPIC INTERNATIONAL POLICY DEPARTMENT FOR
VIRGINIA GREEN AND CONSTANCE SHINN
USDOC FOR ITA/MAC/DGUGLIELMI
ITA/MAC/CLOUSTENAU
CS/OIO/ANESA

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TAGS: [ELAB](#) [PREL](#) [PHUM](#) [PGOV](#) [SOCI](#) [CVIS](#) [GTIP](#) [TC](#)
SUBJECT: LABOR CONDITIONS IN THE UAE

1. SUMMARY: THE UAE GOVERNMENT HAS COMMITTED ITSELF TO STRICTLY REGULATING AND ENFORCING LABOR LAWS. THIS CAN BE WITNESSED BY ITS ONGOING EFFORTS TO BRING LOCAL LABOR STANDARDS INTO COMPLIANCE WITH INTERNATIONAL NORMS. THE MINISTRY OF LABOR IS CURRENTLY WORKING ON REVISING THE LABOR LAW, WHICH IS EXPECTED TO COME OUT MID-2004. THE MAIN COMPONENT OF THE DRAFT LAW IS THE CREATION OF A LABOR UNION TO ENSURE LABORERS' RIGHTS TO ORGANIZE AND BARGAIN COLLECTIVELY. OTHER ISSUES SUCH AS PAYMENT OF WAGES AND WORKING CONDITIONS AT WORK ARE ALSO REPORTEDLY ADDRESSED IN THE DRAFT LAW. END SUMMARY.

2. IN THE UNITED ARAB EMIRATES (UAE), APPROXIMATELY 85% OF THE POPULATION OF AROUND 4 MILLION IS EXPATRIATE, AND 98% OF THE

PRIVATE WORKFORCE IS NON-EMIRATI. THE UAE ATTRACTS A LARGE NUMBER OF FOREIGN WORKERS. THE UAE IS A RICH COUNTRY THAT HAS ENCOURAGED THE PRESENCE OF A LARGE EXPATRIATE WORKFORCE. DESPITE SOME CONCERNS RAISED ABOUT POOR WORKING CONDITIONS, NON-PAYMENT OF WAGES, AND NOT BEING ABLE TO CHANGE EMPLOYERS EASILY, THESE WORKERS CONTINUE TO FLOW INTO THE COUNTRY BECAUSE IN THE UAE, THEY CAN EARN A SUBSTANTIALLY HIGHER INCOME THAN IN THEIR OWN COUNTRIES.

POSITIVE STEPS TO IMPROVE WORKING CONDITIONS

13. THE UAEG HAS TAKEN A NUMBER OF STEPS IN RECENT YEARS TO SIGNIFICANTLY IMPROVE THE SITUATION FOR FOREIGN WORKERS AND TO BETTER PROTECT THEIR INTERESTS. THE UAE HAS JOINED NINE ILO CONVENTIONS, INCLUDING 8 CORE CONVENTIONS. THE UAE HAS TO DATE NOT RATIFIED EITHER OF THE ILO'S "CORE" CONVENTIONS ON FREEDOM OF ASSOCIATION, NOS. 87 AND 98. SINCE OPIC COVERAGE WAS SUSPENDED IN THE UAE IN 1995, THE UAE GOVERNMENT (UAEG) HAS IMPROVED APPRECIABLY THE RIGHTS OF EXPATRIATE LABORERS. THE UAEG HAS COMMITTED TO ENACTING AND IMPLEMENTING DOMESTIC LAWS THAT CONFORM TO INTERNATIONAL STANDARDS.

- DISCUSSIONS ARE TAKING PLACE BETWEEN THE GOVERNMENT AND THE ILO REGARDING IMPLEMENTATION OF A NATIONAL LABOR UNION AND LABOR RIGHTS, AS PART OF A DRAFT LAW EXPECTED TO COME OUT MID-2004.

- IN APRIL 2003, THE GOVERNMENT IMPLEMENTED ILO BIOHAZARD RULES ON OCCUPATIONAL HEALTH AND SAFETY, AND RATIFIED ILO CONVENTION 81 ON LABOR INSPECTIONS. IN JULY, THE UAE APPROVED THE RECOMMENDATIONS OF THE ILO ON OCCUPATIONAL HEALTH AND SAFETY.

- THE GOVERNMENT PROHIBITS FORCED AND BONDED CHILD LABOR AND GENERALLY ENFORCES THIS PROHIBITION EFFECTIVELY. FOLLOWING A SEPTEMBER 2002 PRESIDENTIAL DECREE BANNING THE PRACTICE OF USING UNDERAGE FOREIGN BOYS AS CAMEL JOCKEYS, THE UAEG STRENGTHENED PROCEDURES AT RACETRACKS TO PROTECT THE JOCKEYS AND TO ENSURE THAT THE BAN IS APPLIED STRICTLY. THE UAEG IS ALSO IN THE PROCESS OF TURNING THE DECREE INTO FEDERAL LEGISLATION, LEGALLY BINDING IN ALL SEVEN EMIRATES.

- THE UAE MINISTRY OF LABOR IMPLEMENTED NEW REGULATIONS IN 2003 REQUIRING ALL CONSTRUCTION AND MAINTENANCE COMPANIES AND OTHER BUSINESSES WITH MORE THAN 200 EMPLOYEES (THE NUMBER MAY BE REDUCED), TO SUBMIT AUDITED REPORTS CONFIRMING THE PAYMENT OF SALARIES TO EMPLOYEES. THE MINISTRY BLACKLISTS COMPANIES (SUSPENDS THE COMPANY'S COMMERCIAL LICENSE) THAT FAIL TO SUBMIT THESE REPORTS ON A QUARTERLY BASIS.

- IN JULY 2003, THE FEDERAL SUPREME COURT OUTLAWED A COMMON PRACTICE IN THE UAE OF LOCAL SPONSORS HOLDING THE PASSPORTS OF THEIR EMPLOYEES. THIS WILL BENEFIT ALL FOREIGN EMPLOYEES, AND ESPECIALLY ASSIST UNSKILLED LABORERS WHO GENERALLY LACK THE POLITICAL LEVERAGE ENJOYED BY SKILLED AND HIGHER-INCOME WORKERS. WHEN REPORTED, POLICE COLLECT AND RETURN THE PASSPORTS TO THOSE WHO REQUEST THEM.

- THE MINISTRY OF LABOR HAS DEVELOPED A NEW INSPECTION AND TRAINING PLAN CENTERED ON IMPROVING THE QUALITY OF LABOR INSPECTION. THE OBJECTIVE IS TO CREATE SAFER AND MORE SECURE WORKING CONDITIONS BY ENCOURAGING COMPANIES TO COMPLY MORE STRICTLY WITH CURRENT LABOR REGULATIONS. THE NEW INSPECTION PLAN ALSO BETTER CONFORMS TO THE ILO'S LABOR INSPECTION CONVENTION NO. 81.

- THE MINISTRY BLACKLISTED OVER 2,000 UAE COMPANIES LAST YEAR FOR VIOLATING LABOR LAWS. THE MINISTRY REINSTATED MANY OF THOSE COMPANIES AFTER REDRESSING THEIR ERRORS.

- DUBAI FOLLOWED BY ABU DHABI AND OTHER EMIRATES ISSUED AN ORDER ON FEBRUARY 10 OF THIS YEAR INSTRUCTING IMMIGRATION OFFICIALS TO CEASE REQUIRING FOREIGNERS TO TRAVEL ABROAD IN ORDER TO CHANGE THEIR WORK PERMIT STATUS. THIS MOVE FOLLOWED AN AIRPLANE CRASH IN THE EMIRATE OF SHARJAH THAT KILLED 43 LABORERS AND WORKERS WHO CHOSE THE LOWEST COST MEANS OF GETTING OUT AND COMING BACK TO THE COUNTRY TO CHANGE VISIT VISAS TO A WORK PERMITS.

- THE MINISTRY OF LABOR PLANS TO STIFFEN ITS REGULATIONS AGAINST

"ILLUSIONARY FIRMS". THE INVESTIGATION BY THE MINISTRY, WHICH WAS MADE IN 2003, REVEALS THAT "REAL" OR ACTIVE FIRMS IN THE UAE MARKET CONSIST OF ONLY 49% OF THE TOTAL FIRMS IN THE UAE, WHILE THE REST OF THE FIRMS ARE NOT PRACTICING ANY REAL ECONOMIC ACTIVITY. THESE FIRMS CONCENTRATE ON "VISA SALES" ONLY. MINISTRY OFFICIALS CONFIRMED THAT THE NUMBER OF LABORERS WHO ENTERED THE COUNTRY SPONSORED BY THESE "ILLUSIONARY" FIRMS OVER THE LAST FEW YEARS REACHED UP TO 600,000, REPRESENTING 27% OF THE TOTAL LABOR FORCE IN THE COUNTRY ACCORDING TO PRESS REPORTS.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

14. THE CURRENT LABOR LAW DOES NOT ENTITLE WORKERS TO FORM OR JOIN UNIONS, AND NO UNIONS EXIST. HOWEVER, THE GOVERNMENT ALLOWS WORKERS TO ASSOCIATE FREELY FOR THE ADVANCEMENT OF COMMON GOALS AND INTERESTS. IN PRACTICE, WORKERS ADDRESS GRIEVANCES AND NEGOTIATE DISPUTES OR MATTERS OF INTEREST WITH EMPLOYERS THROUGH FORMAL AND INFORMAL MECHANISMS. ALTHOUGH THE LAW DOES NOT GRANT WORKERS THE RIGHT TO ENGAGE IN COLLECTIVE BARGAINING, IT EXPRESSLY AUTHORIZES COLLECTIVE DISPUTE RESOLUTION. THE GOVERNMENT GRANTS SOME PROFESSIONAL ASSOCIATIONS GREATER FREEDOM TO RAISE WORK RELATED CONCERNS, TO LOBBY THE GOVERNMENT FOR REDRESS, OR TO FILE GRIEVANCES WITH THE GOVERNMENT.

15. THE LABOR LAW DOES NOT ADDRESS THE RIGHT TO STRIKE. HOWEVER THE MEDIA HAS QUOTED A HIGH-LEVEL MINISTRY OF LABOR OFFICIAL AS SAYING THAT THE LAW DOES NOT FORBID STRIKES, AND IF LABORERS ARE DENIED THEIR RIGHTS, THEY CAN STOP WORKING. IN PRACTICE, THERE WERE NUMEROUS STRIKES BY PRIVATE SECTOR EMPLOYEES IN ADDITION TO ORGANIZED GATHERINGS OF WORKERS WHO COMPLAINED OF UNPAID WAGES TO THE MINISTRY OF LABOR. THERE WERE NO REPORTS THAT WORKERS WHO WENT ON STRIKE WERE DEPORTED. IN GENERAL, MINISTRY OFFICIALS ARE SYMPATHETIC TO THE WORKERS' PLIGHT ESPECIALLY WITH REGARD TO NON-PAYMENT OF WAGES. THE MINISTRY USUALLY SIDES WITH THE WORKERS AND NEGOTIATES A SETTLEMENT THAT PROVIDES IMMEDIATE OR INSTALLED PAYMENTS OF THE WAGES.

PROPOSED DRAFT LABOR LAW

16. THE UAE IS IN THE PROCESS OF UPDATING ITS LABOR LAW. ON FEBRUARY 24, 2003, THE MINISTRY OF LABOR COMPLETED THE FINAL DRAFT OF A PROPOSAL PERMITTING THE CREATION OF LABOR UNIONS. THE PLAN WILL BE REVIEWED BY THE MINISTRY OF INTERIOR AND MINISTRY OF JUSTICE, ISLAMIC AFFAIRS AND AWQAF BEFORE A FINAL PROPOSAL IS SUBMITTED TO THE CABINET. AFTER FINAL APPROVAL, THE MINISTRY OF LABOR WILL ENACT A BYLAW TO INSTITUTE THE NEW POLICY. THE MINISTRY WILL ALSO ESTABLISH A NEW DEPARTMENT RESPONSIBLE FOR HANDLING MATTERS RELATED TO LABOR UNIONS.

17. UNDER THE DRAFT PROPOSAL, THE LABOR MINISTRY WILL ESTABLISH MEMBERSHIP CONDITIONS FOR NEW UNIONS. AS CURRENTLY PROPOSED, THE DRAFT LAW DOES NOT PROHIBIT EXPATRIATES FROM JOINING UNIONS. RATHER THE MINISTRY OF LABOR IS CURRENTLY CONSIDERING A VARIETY OF WAYS TO DEAL WITH THE ISSUE OF EXPATRIATES' MEMBERSHIP. IT IS LIKELY THAT THEIR MEMBERSHIP IN UNIONS WILL BE CONSTRAINED IN SOME WAY DUE TO NATIONAL SECURITY CONCERNS.

18. THE DRAFT LAW ALSO STATES THAT PRIVATE COMPANIES MUST EMPLOY AN INDUSTRIAL SAFETY OFFICER TO ENSURE THAT ALL SAFETY MEASURES ARE MET. THE PACKAGE OF BENEFITS ALSO SAYS THAT PEOPLE UNDER THE AGE OF 18 SHOULD BE FORBIDDEN FROM DANGEROUS OR DIFFICULT WORK.

UNDER THE DRAFT LAW, WAGES MUST BE PAID NO LATER THAN FIVE DAYS FROM THE END OF THE MONTH OR THE DATE ON WHICH THEY BECOME DUE.

THE MINISTRY OF LABOR SENDS A NOTICE TO ANY COMPANY THAT DOES NOT COMPLY WITH ANY OF THE DRAFT LAW CLAUSES. FAILURE OF THESE COMPANIES TO ACT AFTER THE NOTICE IS RECEIVED RESULTS IN THEIR BEING FINED AND FINALLY SUSPENDING THEIR COMMERCIAL LICENSE.

19. THE DRAFT PROPOSAL BY THE LABOR MINISTRY, WHICH IS EXPECTED TO BE RELEASED BY MID 2004 ACCORDING TO MINISTRY OFFICIALS, IS ANOTHER STEP IN THE RIGHT DIRECTION BY THE UAEG TO BRING DOMESTIC LABOR LAW INTO CONFORMITY WITH INTERNATIONAL STANDARDS. WHILE WORKERS HERE CONTINUE TO HAVE CONSIDERABLE PRACTICAL FREEDOM OF ASSOCIATION (STRIKES ARE NOT UNCOMMON HERE), THESE NEW PROPOSALS

WILL OFFICIALLY ENSURE WORKERS' RIGHTS TO ORGANIZE AND BARGAIN COLLECTIVELY.

AREAS FOR IMPROVEMENT

10. DESPITE THE IMPROVEMENTS SEEN OVER THE LAST FEW YEARS, THERE ARE STILL AREAS OF CONCERN FOR THE EMBASSY ON THE LABOR SITUATION IN THE UAE. THESE INCLUDE:

- THE LABOR LAW DOES NOT COVER AND THEREFORE DOES NOT PROTECT FOREIGN DOMESTIC SERVANTS, CURRENTLY ESTIMATED AT ABOUT 300,000. THE MINISTRY OF INTERIOR'S NATURALIZATION AND RESIDENCY ADMINISTRATION REVIEWS THE CONTRACTS OF THESE EMPLOYEES AS PART OF THE RESIDENCY PERMIT PROCESSING TO ENSURE THAT THE NEGOTIATED SALARIES AND TERMS ARE ADEQUATE. ALTHOUGH NOT PROTECTED BY THE NATIONAL LABOR LAW, DOMESTIC WORKERS CAN BRING WORK-RELATED DISPUTES TO CONCILIATION COMMITTEES ORGANIZED BY THE MINISTRY OF LABOR OR TO SPECIAL LABOR COURTS. IT IS UNLIKELY THAT DOMESTIC WORKERS WILL BE PLACED UNDER THE NEW DRAFT LAW. THERE ARE SOME REPORTS OF ABUSE OF DOMESTIC WORKERS BY THEIR EMPLOYERS. ALLEGATIONS INCLUDE EXCESSIVE WORK HOURS, NONPAYMENT OF WAGES, AND VERBAL, PHYSICAL, SEXUAL ABUSE.
- MOST FOREIGN NATIONAL EMPLOYEES ARE NOT PERMITTED TO CHANGE EMPLOYERS FREELY UNDER THE LAWS REGULATING SPONSORSHIP AND RESIDENCIES. SOME CATEGORIES OF PROFESSIONAL OR SKILLED WORKERS ARE ALLOWED TO CHANGE EMPLOYERS AFTER TWO YEARS; HOWEVER MOST WORKERS ARE NOT ALLOWED TO CHANGE SPONSORS. IF THEY DO THEN THEY WILL HAVE TO LEAVE THE COUNTRY AND COME BACK AND SOME OF THEM MIGHT BE BANNED TO ENTER THE COUNTRY FOR SIX MONTHS.
- THE UAE CALLS FOR EQUALITY WITHOUT REGARD TO GENDER. HOWEVER, IN MOST CASES, MEN GET THE PRIORITY FOR EMPLOYMENT. IN THE RECENT YEARS, DUBAI HAS WITNESSED A DRAMATIC INCREASE IN THE NUMBER OF WOMEN IN THE WORKPLACE AND IN BUSINESS, AMOUNTING TO 3,223 BUSINESSWOMEN ENGAGED IN COMMERCIAL ACTIVITY IN 2002, ACCORDING AN ARTICLE IN A LOCAL NEWSPAPER IN LATE 2002.

WAHBA